

**441—185.105(234) Costs subject to limits.** The department intends to reimburse providers for their reasonable and necessary costs of providing rehabilitative treatment and supportive services. For purposes of establishing payment rates for rehabilitative treatment and supportive services, the following necessary costs and categories of cost are limited to the stated reasonable levels:

**185.105(1) Salaries.** Reimbursable salaries per full-time equivalent administrative staff may not exceed the salary range established by the Iowa department of personnel for the comparable positions during the fiscal year. Reimbursable salaries for direct care and clerical staff may not exceed the percents specified in 185.105(1) “b” to 185.105(1) “g” of salary ranges established by the Iowa department of personnel for the comparable positions. The comparable positions are listed below:

a. Administrative staff described in account 2110 - Step 1, Human Service Area Administrator III.  
b. Direct care supervisors. Effective November 1, 1993, the average salary shall not exceed 85 percent of the midpoint for a Social Worker III Supervisor. Effective July 1, 1994, the average salary shall not exceed 87 percent of the midpoint for a Social Worker III Supervisor. Effective July 1, 1995, the average salary shall not exceed 88 percent of the midpoint for a Social Worker III Supervisor. Effective July 1, 1996, the average salary shall not exceed 90 percent of the midpoint for a Social Worker III Supervisor.

c. Professional skill development staff for family-centered, family foster care, family preservation services, and group care optional services. Effective November 1, 1993, the average salary shall not exceed \$25,053. Effective July 1, 1995, the average salary shall not exceed 90 percent of the midpoint for a Social Worker II. Effective July 1, 1996, the average salary shall not exceed 90 percent of the midpoint for a Social Worker II.

d. Professional skill development staff in group homes and staff providing family-centered respite care and family-centered supervision services. Effective November 1, 1993, the average salary shall not exceed 70 percent of the midpoint for a Residential Treatment Worker. Effective July 1, 1994, the average salary shall not exceed 77 percent of the midpoint for a Residential Treatment Worker. Effective July 1, 1995, the average salary shall not exceed 84 percent of the midpoint for a Residential Treatment Worker. Effective July 1, 1996, the average salary shall not exceed 90 percent of the midpoint for a Residential Treatment Worker.

e. Direct care staff working during the hours children would normally be asleep. The average salary shall not exceed 90 percent of the salary level established at 185.105(1) “d.”

f. Therapy and counseling staff, psychosocial evaluation and behavioral management for children in therapeutic foster care staff. Effective November 1, 1993, the average salary shall not exceed 85 percent of the midpoint for a Social Worker III. Effective July 1, 1994, the average salary shall not exceed 87 percent of the midpoint for a Social Worker III. Effective July 1, 1995, the average salary shall not exceed 88 percent of the midpoint for a Social Worker III. Effective July 1, 1996, the average salary shall not exceed 90 percent of the midpoint for a Social Worker III.

g. Clerical and secretarial staff. Effective November 1, 1993, the average salary shall not exceed 80 percent of the midpoint for a Clerk Typist III. Effective July 1, 1994, the average salary shall not exceed 83 percent of the midpoint for a Clerk Typist III. Effective July 1, 1995, the average salary shall not exceed 87 percent of the midpoint for a Clerk Typist III. Effective July 1, 1996, the average salary shall not exceed 90 percent of the midpoint for a Clerk Typist III.

h. Fees paid to subcontractors providing or supervising the provision of rehabilitative or supportive services shall be subject to the applicable limitations described in 185.105(1) “a” to “g” or the maximum flat rate per full-time equivalent position established by the department by adding the following:

(1) The maximum salary established for therapy and counseling or direct care supervision pursuant to 185.105(1) “b,” “c,” or “f,” as applicable to the provider.

(2) The maximum level established for benefits pursuant to subrule 185.105(2).

(3) The maximum occupancy established pursuant to subrule 185.105(5) for family-centered, family preservation, or treatment in foster family care.

(4) The maximum administrative costs allowed pursuant to subrule 185.105(7).

The costs of subcontractors providing program consultation shall be reported as training costs.

**185.105(2) *Employee benefit costs.*** Employee benefits costs shall be limited to the percentage of salaries and wages budgeted for benefits by the department for the state fiscal year in which the agency's fiscal year begins. The percentage shall be applied to adjusted salaries. The actual budgeted percentage rate shall be rounded to the nearest one-half percent. The only exception that may be granted to this percentage is when a provider's health care premium increases substantially because the provider's health care group size is small and within the past year employee utilization of health care is the rationale for the increased premium. In order for this exception to be considered by the chief of the bureau of purchased services, the provider shall document that the increase is related to the employee utilization and that bids from three other comparable health care coverage sources have been received and these bids are similar to the provider's current health care rate.

**185.105(3) *Food cost.*** Food cost per day in group care shall not exceed the weighted average of food costs by child age range published in the U.S. Department of Agriculture, Family Economics Group survey. The published indices for low- and middle-income rural and Midwestern urban families shall be weighted by the percentage of children by age range in group care and shall be updated for inflation using the Consumer Price Index for Food at Home.

**185.105(4) *Clothing cost.*** Clothing cost per day in group care shall not exceed 65 percent of the weighted average of clothing costs by child age range published in the U.S. Department of Agriculture, Family Economics Group survey. The published indices for low- and middle-income rural and Midwestern urban families shall be weighted by the percentage of children by age range in group care and updated for inflation using the Consumer Price Index - Urban.

**185.105(5) *Occupancy costs.*** After all other limitations, reimbursable occupancy costs will be limited to the lower of actual provider costs or the applicable limit under "a" or "b" below:

- a. Group care services - 16.7 percent of total group care costs.
- b. Family-centered, family foster care and family preservation services - 6.4 percent of the total costs of these services.

**185.105(6) *Transportation costs.***

a. All travel mileage by provider employees in personal or provider vehicles other than vans owned or leased by group care providers shall be reimbursed at the average of the state employee and Internal Revenue Service rates per mile. Travel mileage for transportation of group care clients in a van owned or leased by the group care provider shall be reimbursed at the rate for minivans established by the department of management's budget pricing information for vehicle rates. Per diem costs shall be reimbursed according to applicable state employee policies. All transportation and related costs including, but not limited to, depreciation of vehicles, automobile insurance and maintenance, are included in the per mile rate.

b. Reimbursement for air and other commercial travel shall not exceed the lesser of the minimum commercial rate or the rate for mileage in 185.105(6) "a" above.

**185.105(7) *Administrative costs.*** After all other limitations, administrative costs shall be limited to the lower of actual costs or the applicable limit under "a," "b," or "c" below:

- a. Group care services - 18.9 percent of total group care costs.
- b. Family-centered, family foster care and family preservation services - 15.4 percent of the total costs of rehabilitative treatment and supportive services.
- c. For rates established for all rehabilitative treatment and supportive services on or after June 1, 1994, administrative costs shall be limited to the lower of the actual costs or 15.4 percent of the total costs of rehabilitative treatment and supportive services.

**185.105(8) *Training costs.*** Costs for participation in educational conferences and subscriptions for reference publications and program-related materials are limited to 1.4 percent of the agency's actual salary costs, less excluded or limited salary costs as recorded on the financial and statistical report. The index for training costs will be the Annual American Society of Training and Development survey of U.S. employers.

**185.105(9) *Annual meeting costs.*** Reasonable annual meeting costs which are required by licensure are allowed.

**185.105(10) *Moving and recruitment costs.*** Moving and recruitment are allowed as a reimbursable cost only to the extent allowed for state employees. Expenses incurred for placing advertising for purposes of recruiting qualified individuals for staff positions are allowed for reimbursement purposes.

**185.105(11) *Related party costs.*** Costs applicable to services, facilities, equipment, and supplies furnished to the provider by organizations related to the provider through control, from ownership, capital investment, directorship or other means shall be included in the allowable cost of the provider at the cost to the related organization. Only costs which are determined to be necessary and reasonable at the provider level are allowable at the related organization level, unless these related organization costs are duplicative of provider costs already subject to reimbursement.

*a.* Allowable costs shall be all actual direct and indirect costs applying to any program or item interchanged between related parties, such as capital use allowance (depreciation), interest on borrowed money, insurance, taxes, and maintenance costs.

*b.* When the related party's costs are used as the basis for allowable rental or supply costs, the related party shall supply documentation of these costs to the provider. The provider shall complete a schedule displaying the amount paid to related parties, related party cost, and total amount allowable. The resulting costs shall be allocated according to policies in 185.102(2) "a" to "c."

Financial and statistical records shall be maintained by the related party under the provisions in subrule 185.102(3).

*c.* Tests for relatedness shall be those specified in paragraph "a" and 441—subrule 152.2(18). The department or the department's fiscal consultant shall have access to the records of the provider and landlord or supplier to determine if relatedness exists. Applicable records may include financial and accounting records, board minutes, articles of incorporation, and lists of board members.

**185.105(12) *Foster parent training costs.*** Costs for foster parent preservice and in-service training are limited to the hours required in 185.9(2) "b"(2) and 185.10(8) "b"(2).

**185.105(13) *Volunteer recognition.*** The amount of awards and grants to recognize volunteers whose activities relate to direct client rehabilitative treatment or supportive services shall not exceed \$3 per volunteer.